

power generation during the year was attributed to the shortfall of capacity addition of lower hydel power generation. May I know from the hon. Minister the reasons for lower hydel production ? I would also like to know whether there is any scope for acceleration of hydel power production. If so, what are the reasons for not fully exploiting the hydel power generation ? What steps have been taken by the Government to increase the quantum of hydel power production in the country ?

SHRI YOGINDER K. ALAGH : Sir, the reasons for lower hydel power production last year were basically the reasons of lower inflow of water into some of the large reservoirs. What we are trying to do right now is, which I think is more important, that out of the funds that have been placed at the disposal of the Ministry of Power we are releasing additional funds for the completion of the on-going hydel projects in the public sector. I do not want to get into the project level details because it would take time. For example, the National Hydel Power Corporation has been given Rs. 450 crore more this year so that it could accelerate the completion of on-going projects. In some projects where there are some problems of evacuation, we are looking into the technical details so that the coordination with the grid is better. I would like to inform the House that during the month of June our engineers have been able to achieve a rate of growth of eight per cent which is close to our target. We should congratulate them and support them in achieving this objective this year. We have every intention of supporting those units which can turn around and make a greater profit.

SHRI ISWAR PRASANNA HAZARIKA : Mr. Speaker, Sir, I welcome the policy initiative taken by the Government to go for short gestation liquid fuel based power projects of a total capacity of 10,000 to 12,000 megawatts as a short term solution to the problem. In this context, I would like to know from the hon. Minister whether the Ministry of Petroleum and Natural Gas has given its concurrence to this proposal because this would involve import of huge quantities of naphtha and other liquid fuels for running the power plant.

Secondly, if they have given concurrence, then what is going to happen to the port capacity ? I would like to know whether the ports in India can handle the liquid cargo over and above what is being already handled in the form of imports of crude oil and other liquid petroleum products.

In the case of land-locked States like Rajasthan and Madhya Pradesh, certain capacity addition has been earmarked based on liquid fuel. In this context, I would

like to know whether any pipeline would be required. What transportation arrangements have been made to make these projects feasible ?

Thirdly, what would be the impact on the tariff and on the cost of generation if these projects based on liquid fuels are established ?

SHRI YOGINDER K. ALAGH : The allocation of liquid fuel, mainly naphtha was 12,000 MWs which is what the Government had announced and it has been agreed to by the Ministry of Petroleum and Natural Gas. That will be provided from the existing facilities plus planned imports. The hon. Member's question is a very important one in the sense that we may need some further investment in infrastructure from the existing supply points to supply this naphtha to the proposed power projects. As of today, apart from two States, in all other States, the projects that they have give to tie up this 12,000 MWs have been approved; in two States, the approval has been given and they have been asked to give a project-level details. That will be done.

Now the Ministry of Petroleum and Natural Gas has suggested that independent power producers should give a certain sum of money per MW so that that money which can be adjusted towards the price later on will be used for completing the infrastructure at the lower level. The hon. Member is a very knowledgeable person and he knows that naphtha based power is an expensive power. But there was a study done by the Planning Commission last year— I remember when I was the Planning Minister it was done— which said that since we would be short of fuel in the next two years, it seems economically viable to invest even in this expensive power.

MR. SPEAKER : Thank you. I know that this subject is a very important one. But then the House will resume discussion on the Ninth Plan Document during this Session. I think, that is the time when this issue should be given emphasis and importance; and the hon. Members may participate in it.

Working of Local Bodies in States

*22. SHRI N. DENNIS : Will the Minister of RURAL AREAS AND EMPLOYMENT be pleased to state :

(a) whether the working of local bodies in States is examined by the Union Government;

(b) if so, the details thereof;

(c) if not, the steps taken to check the identify the drawbacks in their functioning; and

(d) the steps proposed to be taken to streamline the system ?

THE MINISTER OF RURAL AREAS AND EMPLOYMENT (SHRI KINJARAPPU YERRANNAIDU) : (a) to (d) Yes, Sir. The working of the Panchayati Raj Institutions in the country is reviewed from time to time in the meetings of concerned Panchayati Raj Ministers and Secretaries held at the regional as well as national level. A National Committee of Panchayat Ministers under the Chairmanship of Minister of Rural Areas and Employment has also been constituted for the purpose. Several suggestions have been made to the States/UTs for streamline the Panchayati Raj system.

SHRI N. DENNIS : Sir, the local bodies are faced with several problems in achieving their object of decentralisation of administration and vesting of power to the people at the grass-roots level. Non-devolution of adequate powers by the States to the local bodies is mainly responsible for the number of problems faced by the local bodies. So, providing a demarcation of power among the three tiers of local bodies in the Constitution with a list of subjects – as is done in the case of the subjects under the States and the Centre by means of three lists – would reduce the dependency of local bodies on the State Governments.

So, may I know from the hon. Minister the steps that are taken by the Government in this regard ? The hon. Minister has stated that several suggestions have been made to the States to streamline the administration of local bodies. May I know the impact of these suggestions and directions, and how the State Governments reacted to this matter ?

SHRI KINJARAPPU YERRANNAIDU : The hon. Members are aware that Constitution (Seventy-Third) Amendment Act, 1992 marks a new era in the federal democratic set up. Based on that Amendment Act, Panchayati Raj Institutions have been established and election have also been conducted. We have established, throughout the country, a strong foundation for democratic and participatory Governments. Based on that, the States have been requested to empower on the following issues : Devolution of powers – functional, financial and operational, autonomy for Panchayati Raj Institutions, transparency in their functioning, empowerment of Gram Sabhas, constitution of District Planning Committees, holding elections, training and capacity building, Under the Eleventh Schedule of the Constitution, 29 subjects are transferred to the local bodies under the three-tier Panchayati Raj system. On

further empowerment and devolution of powers, finances and everything, we had convened meetings of Ministers of Panchayati Raj twice in the months of September, 1995 and October, 1996. Recently, a meeting of Presidents of Panchayats and Zila Parishads of seven States, that is, Maharashtra, Orissa, Karnataka, Kerala, Andhra Pradesh and Tamil Nadu, was convened at the National Institute of Rural Development (NIRD) at Hyderabad on 21.6.97. Meetings of the State Panchayati Raj Secretaries are also frequently held by the Secretary of Rural Development on the devolution of powers, finance and everything. Based on the suggestions of the State Secretaries of Rural Development and recommendations made by the Conference of Panchayati Raj Ministers, we are repeatedly writing letters to the Chief Ministers both from my side and from the Prime Minister's side. It is our objective to devolve finances for self-governance. Like that, we are doing everything.

SHRI N. DENNIS : The delegation of powers, functions and financial control still rest with the State Governments. Thus the local bodies are facing difficulties in administration and also due to inadequate funds. Bureaucracy is also not helpful in sharing powers with the elected representatives of the local bodies. So, may I know from the hon. Minister the steps that are taken by the Government to remove these bottlenecks to achieve the desired result of high hopes and expectations generated by the 73rd and 74th Amendments of the Constitution ?

SHRI KINJARAPPU YERRANNAIDU : Mr. Speaker Sir, we want to make local bodies financially viable and that is why, we are implementing the recommendations of the Tenth Finance Commission. They are putting Rs. 4300 crore at the disposal of only the local bodies, as per the request of the Union Government. All State Government have appointed Finance Commissions to be financed by the State Consolidated Fund. Some States want to give finance to the local bodies. So far, Assam, Karnataka, Kerala, Tamil Nadu, Rajasthan, Madhya Pradesh, Tripura, West Bengal and Punjab have already appointed their Finance Commissions. In turn, the Finance Commissions have given their reports to the State Governments and the State Governments have accepted the recommendations of the Finance Commissions and they are devolving finances to the Gram Panchayats. The reports of the Finance Commissions submitted to the State Governments are under consideration in the following States. They are Andhra Pradesh, Maharashtra, Himachal Pradesh, Uttar Pradesh, Manipur and Andaman and Nicobar Islands.

Some States have not received the reports from their Finance Commissions. They are Haryana, Goa, Gujarat, Orissa and Chandigarh. So, the prime Minister is convening a Conference of Chief Ministers and Ministers of Panchayati Raj on 2nd August regarding devolution of powers. In that Conference, we will be discussing the latest position about constitutional problems, what is implemented and what is not implemented and so on.

SHRI SHIVRAJ V. PATIL : Under the Constitution, a broad framework has been created to support the local governance at three levels like the village panchayats, municipalities, corporations, talukas and zila parishads. There is a provision for giving funds also to these local bodies. But the third step which has to be really taken is very important and it provides the contents. Now, we have seen that the local bodies are not in a position or do not have the concepts or ideas or the machinery to provide facilities to the people. So, they remain where they are living. The population is migrating from the villages to the towns and cities. In some States, the percentage of migration of population is 25 to 30 per cent of the cities population also. So, the most important thing in this respect is the idea or the concept or the planning to handle the problem of urbanisation as such.

I would like to know from the Government whether the Government at the national level has any concept or any plan to deal with the problem of urbanisation. Have the State Governments made any plans to deal with the problem of urbanisation? Are the local bodies having any plans to deal with the problem of urbanisation or retaining the people in the villages because that is really the content. Having provided the broad framework and having provided the funds also, it would be necessary to provide the contents to deal with the actual problem regarding water supply, drainage, housing, roads and extension of the areas and all those things.

If the hon. Minister has the information, he can give it to me or he can supply it to me later on.

SHRI KINJARAPPU YERRANNAIDU : Sir, all the Members are aware that under the Amendment to the Constitution, there are two aspects, namely, mandatory issues and advisory issues. According to the Constitution (Seventy-Third) Amendment, the timely elections and appointment of the District Planning Committees come under the mandatory issues.

At the national level, we are implementing all the

programmes through the local bodies only. For example, there is Jawahar Rozgar Yojana to arrest migration from villages to urban areas.

KUMARI MAMATA BANERJEE : They are diverting it.

SHRI KINJARAPPU YERRANNAIDU : I am not diverting it. . . .(Interruptions) You put a separate question. And I will answer regarding diversion and everything. This question is about Panchayats. . . .(Interruptions)

I will pass on the other information to the hon. Member.

[Translation]

DR. LAXMINARAYAN PANDEY : Mr. Speaker, Sir, it is correct that the autonomous bodies have been facing financial difficulties as before despite the autonomy given to them. You have just mentioned about the Finance Commission and about Madhya Pradesh but there are many states where no progress has taken place even after the recommendations of the Finance Commission. That is why all the autonomous institutions are unable to show their performance due to financial difficulties. Sometimes it becomes quite difficult for the MPs and MLAs to get the work done according to the legislative procedure. In such a situation whether any guidelines would be issued on your behalf to solve their difficulties and to make them efficient.

[English]

SHRI KINJARAPPU YERRANNAIDU : I have visited Madhya Pradesh twice. Compared to many other States, they are doing very well. We are giving a lot of powers to the Gram Panchayats. We have already implemented the recommendations of the Finance Commission.

As far as the information received from various States is concerned, we are doing very well. . . .(Interruptions)

KUMARI MAMATA BANERJEE : There is no audit of accounts. . . .(Interruptions) We want a special discussion for this.

SHRI KINJARAPPU YERRANNAIDU : That is a separate question(Interruptions)

KUMARI MAMATA BANERJEE : The whole thing has been diverted(Interruptions)

MR. SPEAKER : Nothing will go on record.

(Interruptions)*

* Not Recorded.

MR. SPEAKER : It is enough. Now, question No. 23. Shri Suresh Kalmadi is not there.

(Interruptions)*

MR. SPEAKER : Enough, enough. The Minister has taken note of your anxieties.

(Interruptions)*

MR. SPEAKER : He has taken note of it.

(Interruptions)*

MR. SPEAKER : I have said that nothing will go on record.

SHRI RAJESH PILOT : Sir, in today's Question List, questions no. 32 and 37 are pertaining to this. So, these two questions could be clubbed together and then we could have the answers for these questions. If you club both question no. 32 and 37 with this then all these questions could be answered.

MR. SPEAKER : You should have pointed it out earlier. It is late now. I have already called the next question. Now, if we could reach question no. 32 I will club question no. 37 also with that. So, please be brief now.

(Interruptions)

MR. SPEAKER : Shri Pilot has given a very good suggestion. Why are you not trying to save time so that we could reach question no. 32 ? I am trying to reach question no. 32. You please help me in reaching question no. 32.

(Interruptions)

German Telecom Companies

*24. SHRI SURESH PRABHU : Will the Minister of COMMUNICATIONS be pleased to state :

(a) whether during the visit of the Finance Minister to Germany in June, 1997, several German telecom companies pleaded with him to expedite the process of privatisation of basic telecom sectors in India;

(b) if so, whether any positive assurance was given by the Finance Minister in this regard; and

(c) if so, the steps being taken by the Government to step up the tempo of privatisation ?

* Not Recorded.

[Translation]

THE MINISTER OF COMMUNICATIONS (SHRI BENI PRASAD VARMA) : (a) No, Sir.

(b) and (c) Do not arise in view of (a) above.

[English]

SHRI SURESH PRABHU : Sir, our hon. Finance Minister visited Germany and I would like to quote what was reported there by the newspapers then.

"The German Telecom companies wanted the Indian Government to expedite the process of privatisation of basic telecom sector apparently as the major bidders had been left behind in bidding for the cellular and pager services."

This was reported in a newspaper on 5th June. This was pertaining to the visit of the Finance Minister to Germany. Some German Telecom companies said that they were left behind as a result of which they had not got a share in the privatisation of cellular and other basic telecom services and they are pressing for the privatisation of the telecom services.

Do we privatise the telecom sector because some companies abroad feel that they have not got an adequate share ? Since they have been left behind, should we open some more sectors so that they could participate in this? Is it the policy of the Government ?

[Translation]

SHRI BENI PRASAD VARMA : Sir, according to the available information, the German Telecom company did not contact the Finance Minister who was recently on a visit to Germany to accelerate the progress of privatisation of basic services. In our country, no German Company is a partner in any circle in regard to which the biddings have been held.

[English]

SHRI SURESH PRABHU : The Government is allowing so many foreign companies to come and participate in our country. Similarly, is it the view of the Government that on a reciprocal basis, bilaterally, the companies originating from India would also be allowed to access the foreign markets in the telecom sector in the respective countries? For example, the US companies have been allowed; the French companies have been allowed; the Swiss